

CHAMPVA POLICY MANUAL

CHAPTER: 2
SECTION: 30.2
TITLE: OCCUPATIONAL THERAPY

AUTHORITY: 38 CFR 17.270(a) and 17.272(a)

RELATED AUTHORITY: 32 CFR 199.4(c)(3)(x)

I. EFFECTIVE DATE

October 28, 1997

II. PROCEDURE CODE(S)

97003-97004, 97532-97533, 97535, and 97799

III. DESCRIPTION

Occupational therapy is the medically prescribed use of purposeful activity or interventions designed to promote health, prevent injury or disability, and which develop, improve, sustain, or restore functions which have been lost or reduced as a result of injury, illness, cognitive impairment, psychosocial dysfunction, mental illness, or developmental, learning or physical disabilities, to the highest possible level for independent functioning.

IV. POLICY

A. Occupational therapy services provided on an inpatient or outpatient basis by an employee of an authorized institutional provider as part of an organized rehabilitation program is covered when prescribed and supervised by a physician.

B. There must be a reasonable expectation that the service will produce significant improvement in the patient's condition in a reasonable and generally predictable period of time or that the services are necessary to the establishment of a safe and effective maintenance program required in connection with a specific medical condition.

V. POLICY CONSIDERATIONS

A. For occupational therapy provided to a patient with a mental disorder, the therapy must be prescribed by a qualified mental health provider.

B. The types of services ordinarily provided in occupational therapy include the following:

1. evaluation of a patient's level of functioning by administering diagnostic and prognostic tests,
2. selection and teaching of task-oriented therapeutic activities designed to restore physical function,
3. planning, implementing, and supervising, individualized therapeutic activity programs as an integral part of an overall "active treatment" program for a patient with a mental disorder,
4. teaching compensatory techniques to improve the level of independence in the activities of daily living,
5. designing, fabricating, and fitting of orthotic and self-help devices, and
6. vocational and prevocational assessment and training.

C. The services listed above are covered only when there is an expectation that the therapy will result in a significant practical improvement in the individual's level of functioning within a reasonable period of time. If the expected level of improvement is insignificant in relation to the extent and duration of therapy, the therapy is not covered.

D. Where vocational or prevocational assessment or training relates primarily to specific employment opportunities, or work skills or work settings, the services are not covered. Payment may be made for services rendered as an integral part of an overall rehabilitation effort to assess level of functioning and to teach compensatory skills.

E. Occupational therapists are not recognized as individual professional providers and will not be paid on a fee-for-service basis for services provided to beneficiaries. All such services must be billed for by the authorized institutional provider that employs the occupational therapist. The beneficiary must be involved in an organized rehabilitation program designed to restore or improve functions lost or impaired by illness or injury. Inpatient therapeutic activity programs for patients with mental disorders are covered, provided the therapeutic relationship between the activities and the patient's condition is documented.

F. Occupational therapy provided on an outpatient basis for longer than a 60-day period or more frequently than twice a week requires documentation of the medical necessity for the therapy, a statement of the goals of treatment, and the expectations regarding outcomes of the therapy.

VI. EXCLUSIONS

A. Occupational therapists are not authorized to bill using Evaluation and Management (E & M) codes listed in the Physicians' Current Procedural Terminology.

B. Cardiac rehabilitation provided in centers not recognized by CHAMPVA as authorized providers (see [Chapter 2, Section 4.9](#), *Cardiac Rehabilitation*).

C. Vocational and prevocational assessment and training relating to specific employment opportunities, work skills and work settings. [38 CFR 17.272 (a)(33)]

D. General exercise programs, even if recommended by a physician or other authorized provider acting within the scope of his/her license. [38 CFR 17.272 (a)(38)]

E. Separate charges for instructions of the patient and family in therapy procedures. [38 CFR 17.272 (a)(33)]

F. Repetitive exercise to improve gait, maintain strength and endurance, and assisted walking such as that provided in support of feeble or unstable patients.

G. Range of motion and passive exercises, which are not related to restoration of specific loss of function, but are useful in maintaining range of motion in paralyzed extremities.

H. Gait analysis (also known as a walk study evaluation or electrodynogram). [38 CFR 17.272 (a)(14)]

I. CPT code 97532 or CPT code 97533 is not a covered benefit when used as a restorative treatment. That is, cognitive function improves as a result of neuronal growth, which is enhanced through repetitive exercise of neuronal circuits and that recovery of functions is determined by biological events. This policy does not exclude multidisciplinary services such as physical therapy, occupational therapy, or speech therapy after traumatic brain injury and stroke. In addition, CPT codes 97532 and 97533 for sensory integration training is excluded. Likewise, this policy does not exclude multidisciplinary services, such as physical therapy occupational therapy, or speech therapy for children with an autistic disorder.

END OF POLICY